

LEASE AGREEMENT
BETWEEN
MONTGOMERY COUNTY, MARYLAND
AND
ACORN HILL SCHOOL INCORPORATED

DATED 9/15/92

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LEASE AGREEMENT

THIS LEASE AGREEMENT (hereinafter referred to as "Lease"), entered into this 15th day of September, 1992 by and between MONTGOMERY COUNTY, MARYLAND, a body corporate and politic (hereinafter referred to as "Lessor") and the ACORN HILL SCHOOL, INCORPORATED (hereinafter referred to as "Lessee").

WITNESSETH:

WHEREAS, Lessor and Lessee are parties to a Lease Agreement dated September 23, 1977 and an Amendment to the Lease dated July 23, 1985, under which Lease the Lessee occupies the premises known as the Lower Building of Parkside Elementary School, 9500 Brunett Avenue, Silver Spring, Maryland, which termination is effective July 31, 1992; and

WHEREAS, Lessee desires to enter into a new Lease Agreement to commence August 1, 1992.

NOW THEREFORE, in consideration of the covenants hereinafter contained, and for other good and valuable consideration as hereinafter provided, the parties hereto mutually agree as follows:

1. PREMISES: Lessor does hereby lease and demise unto Lessee the premises described as the Lower Building of Parkside Elementary School, 9500 Brunett Avenue, Silver Spring, Maryland, (hereinafter referred to as "Leased Premises"). The Leased Premises shall consist of the building, walkways, paved play area, parking lot, driveway and land contiguous to the building consisting of approximately five (5) acres, as outlined in red on Exhibit A (attached hereto and made a part hereof).

2. TERM: The term hereby created shall be five (5) years, commencing August 1, 1992 and expiring at midnight on July 31, 1997.

3. TERMINATION FOR CONVENIENCE OF MCPS: This Lease Agreement and all obligations hereunder may be terminated by Lessor at any time during the lease term upon 240 days notice in the event the Montgomery County Public Schools determines a need for this facility. Lessor and Lessee agree that Lessee shall not be required to vacate the premises during a school year (September 1 through June 30).

4. RENT:

- (A) Lessee shall pay to Lessor an annual rental of ELEVEN THOUSAND TWO HUNDRED AND 00/100 (\$11,200.00) DOLLARS, payable in equal monthly installments of NINE HUNDRED THIRTY THREE AND 33/100 (\$933.33) DOLLARS.
- (B) The first monthly payment hereunder shall be due on the commencement date of the lease term. If the Lease Commencement date occurs on other than the first day of a calendar month, rent shall be pro-rated for each day of such partial month. All payments thenceforth shall be due and payable on the first day of each month during the lease term, at the Montgomery County Division of Revenue, P. O. Box 6210, Rockville, Maryland 20850.
- (C) Should the Lessee fail to submit monthly rental payments in the above described manner, and should said failure continue for more than ten (10) calendar days after the first day of the month for which such rental payment is due and payable, Lessee shall pay to Lessor, in addition to and as a part of the rental payment in question, a late penalty of five percent (5%) of said monthly rental payment. Should Lessee's failure to pay continue for more than thirty (30) calendar days after a monthly payment becomes due and payable Lessee shall pay to Lessor, in addition to and as a part of the rental payment in question, a late penalty of fifteen percent (15%) of said monthly rental payment. In addition thereto, should Lessee's failure to pay continue for more than thirty (30) calendar days after a monthly payment becomes due and payable, Lessor shall have the right to terminate this Lease, recover possession of the Leased Premises and pursue any other legal remedies available to Lessor under the laws of the State of Maryland.

5. CONSUMER PRICE INDEX: It is agreed between the parties that the annual rent payable by the Lessee shall be adjusted at the beginning of the second lease year (for purposes of this provision, Lease Year shall be defined as August 1 through July 31) and every lease year thereafter, as determined by the application of the following formula:

To the annual rent payable by Lessee during the previous lease year shall be added that sum representing one hundred (100%) percent of the resulting amount, if any, after multiplying said annual rent payable during the previous lease year by a fraction, the numerator of which shall be the index now known as the "U.S. Department of Labor, Bureau of Labor Statistics, Consumer Price Index for all Urban Consumers, All Items (1982-1984=100)", for the month which is two months prior to the last month of the previous lease year and denominator of which shall be said index for the month two months prior to the first month of the previous lease year, and subtracting from such product the annual rent payable during the previous lease year.

The resulting new Basic Rent shall in no event be less than the Basic Rent payable during the preceding twelve months, shall not exceed the Basic Rent payable during the previous lease year by more than 6%, and shall be payable in twelve equal installments on the first day of each month of the applicable year.

In the event the CPI is discontinued, ceases to incorporate a significant number of the items now incorporated therein, or if a substantial change is made in such CPI, the parties hereto shall attempt to agree on an alternative formula and if agreement cannot be reached the matter shall be submitted to arbitration under the rules of the American Arbitration Society then in effect.

6. RIGHT TO PURCHASE:

- (A) In the event the Leased Premises, as outlined in red on "Exhibit A" hereto, are deeded to Lessor prior to the termination of this Lease, Lessee shall have the right to purchase the Leased Premises, provided that the Chief Administrative Officer of Montgomery County concurs with the disposition of the Leased Premises by sale to the Lessee, and in accordance with Article 25A, Section 5 of the Annotated Code of Maryland. The price to be paid by Lessee for the Leased Premises shall be established in the following manner:
- (i) Lessor and Lessee shall each select a qualified licensed appraiser. The two appraisers selected shall choose a third qualified, licensed appraiser.
 - (ii) The respective parties shall each bear the cost of their own appraisers and the fee for the third appraiser shall be equally divided between the two parties.

ASSENTED
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(iii) The price to be paid for the Leased Premises by the Lessee shall be the average of the fair market values as submitted by each of the three appraisers.

(B) Lessee shall notify the Lessor in writing of its election to exercise its right to purchase within one hundred twenty (120) days from the date appraisals are concluded and Lessee is notified of the established price. Lessee shall make the necessary arrangements to effect a settlement with the Lessor not later than sixty (60) days after receipt by Lessor of the Lessee's notice of election to purchase. In the event Lessee does not elect to purchase, then neither party shall have any further obligation to the other with respect to such right to purchase.

(C) The hereinabove right to purchase may not at any time be sold, transferred, assigned or subleased by Lessee without the written consent of Lessor first had and obtained.

7. USE OF THE PREMISES: The premises are to be used as an educational facility and for related educational activities.

8. PARKING: Lessee shall be entitled to full use of the parking facilities which are a part of the Leased Premises. Lessee shall, at Lessee's risk and expense, be responsible for the ongoing maintenance, cleaning, and repair of said parking facilities.

9. CAPITAL IMPROVEMENTS:

(A) Elective Capital Improvements and Structural Alterations: Lessee shall not undertake any structural alterations, changes or improvements to the Leased Premises without the prior written consent of the Lessor, which consent shall not be unreasonably withheld. Once Lessor's consent has been obtained, Lessee shall be responsible for the acquisition of any and all necessary permits and for the observation of all building and zoning ordinances and regulations then in effect. Failure to adhere to any applicable ordinances or regulations shall be deemed to be a breach of this lease. The cost of any such alterations or improvements shall be borne solely by the Lessee.

(B) Non-Elective Capital Improvements:

In the event that it becomes necessary for Lessee to make substantial, non-elective capital improvements to the Leased Premises, and should the life of such work, as determined by the IRS depreciation life span schedule, exceed the balance of the lease term, Lessor shall, subject to funds being available in the approved and adopted Operating Budget of the Department of Facilities and Services, reimburse Lessee for a percentage of the cost of said work, pro-rated to reflect the balance of the remaining life of the improvement beyond the expiration of the lease term. Said reimbursement shall be made in the form of a lump sum payment to the Lessee at the expiration of the lease term, and only upon presentation to the Lessor of documentation as to the cost of the improvements and the contractor's or manufacturer's warranty. Lessor shall not reimburse Lessee for any non-elective capital improvements to the premises in the event Lessee vacates the premises before the end of the Lease term whether voluntarily or pursuant to legal action for breach. Non-elective capital improvements shall include replacement of the roof, boilers, HVAC system, and windows (excepting window pane replacement).

(C) Lessor's Approval and Inspection:

In order to secure Lessor's approval of any structural alterations or improvements, Lessee shall submit to Lessor plans and specifications clearly setting forth the work to be performed. Lessor shall respond in writing within 45 days from receipt of plans and specifications. Lessor shall inspect the premises upon completion of the work to determine adherence to submitted specifications and compliance with applicable codes and regulations. In the event that the completed work is not reasonably satisfactory to Lessor, Lessee shall undertake any necessary corrections, at Lessee's risk and expense.

10. OPERATING EXPENSES: Lessee shall be responsible for all operating expenses relating to the use and occupancy of the Leased Premises, including but not limited to, all maintenance and repair of building and equipment, fixtures, roof, windows, electrical systems, utilities, janitorial services, refuse removal, snow and ice removal or treatment, telephones, security, maintenance and repair of heating and air

conditioning systems, plumbing systems, pest control and any other expense incurred by virtue of the Lessee's use and operation of the Leased Premises.

11. FIXTURES AND EQUIPMENT: All items which are attached to the building, or are a part of the building's systems at the time the building is delivered to Lessee, shall remain with the building and shall be delivered to Lessee along with the building. All moveable partitions, trade fixtures, floor coverings or equipment installed within the Leased Premises at Lessee's expense shall remain the property of Lessee and may be removed by Lessee at the expiration or other termination of this Lease. Lessee shall, however, repair any damage caused directly by reason of said removal. Any personal property remaining within the Leased Premises after termination by the Lessee shall become property of the Lessor. The Lessor shall dispose of any such property in the manner it deems appropriate.

12. CONDITION OF PREMISES: Lessee agrees to maintain the Leased Premises, including all improvements therein, in good condition and state of repair throughout the term of this Lease and any extension thereof. Lessee agrees to keep the Leased Premises clean and neat in appearance at all times, and to keep grass trimmed, trees treated and shrubbery pruned as necessary to maintain them in good condition and appearance. Lessee agrees to keep the parking lot, walkways and driveway in good repair and free from ruts and cracks which could cause a dangerous condition.

13. LIABILITY, PROPERTY DAMAGE AND FIRE INSURANCE:

(A) Lessee agrees to obtain and maintain, during the full term of this Lease, a policy of liability insurance with minimum bodily injury limits of FIVE HUNDRED THOUSAND AND NO/100 (\$500,000.00) DOLLARS for an accident or death to one person, and ONE MILLION AND NO/100 (\$1,000,000.00) DOLLARS for each occurrence, and property damage limits of at least ONE HUNDRED THOUSAND AND NO/100 (\$100,000.00) DOLLARS for each occurrence, issued by an insurance company licensed in the State of Maryland and acceptable to Lessor.

(B) Lessee agrees to obtain and maintain, during the term of this Lease, a policy of Fire, Extended Coverage and Vandalism insurance on the Leased Premises with minimum limits of at least ONE HUNDRED THOUSAND AND NO/100 (\$100,000.00) DOLLARS for each occurrence.

- (C) Lessee is responsible for fire, theft and vandalism insurance on the contents of the Leased Premises.
- (D) Lessor shall maintain Lessor's normal fire and liability insurance on the Leased Premises. Lessor reserves the right to self-insure. Lessor and Lessee agree to waive any right of subrogation against the other.
- (E) Lessee shall, within thirty (30) days from execution of this instrument, deliver to Lessor the said policies or certificates of insurance, evidencing the coverage hereinabove stated.

14. HOLD HARMLESS: Lessee agrees to hold harmless and defend the Lessor from any and all claims of liability arising out of Lessee's use of the premises or through any negligence on Lessee's part, except those claims that may arise by the negligent acts or omissions of the Lessor, the Lessor's employees, agents and contractors, and further specifically agrees to hold Lessor harmless and defend Lessor from any claim of public liability made in connection with any construction or installation of equipment within the Leased Premises, notwithstanding that any such construction or equipment may or may not be deemed to be a part of the premises hereinabove described.

15. RESPONSIBILITIES OF LESSEE: Lessee covenants and agrees as follows:

- (A) Lessee shall not strip, overload, damage or deface the Leased Premises, hallways, stairways or other approaches thereto or the fixtures therein or used therewith, nor suffer or permit any waste in or upon said Leased Premises.
- (B) Lessee shall not keep gasoline or other flammable material or any explosive within the Leased Premises which will increase the rate of fire insurance on the Leased Premises beyond the ordinary risk established for the type of operations described in Article 7 hereof. Any such increase in the insurance rate due to the above, or due to Lessee's special operations within the Leased Premises, shall be borne by Lessee. Lessee shall not willfully do any act or thing in or about the Leased Premises which may make void or voidable any insurance on the Leased Premises, and Lessee agrees to conform to all

rules and regulations established from time to time by the Lessor, the Maryland Insurance Rating Bureau, or any other authority having jurisdiction over such matters.

- (C) Lessee shall not use or allow to be used the Leased Premises or any part thereof for any illegal, unlawful or improper purpose or for any activity which will constitute a nuisance to adjacent properties or the adjacent neighborhood.
- (D) Lessee shall not place upon the Leased Premises any placard, sign, lettering or awning except such, and in such place and manner as shall have been first approved in writing by Lessor. Lessor's approval shall not be unreasonably withheld.
- (E) Lessee acknowledges that all responsibilities of Lessee relating to the use or misuse of the Leased Premises and anything therein shall be construed to include use or misuse thereof by Lessee's agents, employees, patrons and sublessees.
- (F) Lessee shall comply with all reasonable rules and regulations with regard to the use of the Leased Premises that may be from time to time promulgated by Lessor, and any violation of said rules and regulations shall be deemed to constitute a breach of this Lease. It is understood that such rules and regulations shall not interfere or prevent the intended uses of the demised premises as set forth in this Lease.

16. DESTRUCTION OF PREMISES:

- (A) In the event that the Leased Premises are destroyed or damaged from whatever cause so as to render all or a substantial portion of the premises unfit for the purposes for which the premises were leased, and the repair of said destruction or damage cannot reasonably be accomplished by Lessor within six (6) months from the date of such damage, Lessee and Lessor shall each be entitled to terminate this Lease by written notice to the other within thirty (30) days after the irreparable destruction or damage occurred.

- (B) In the event that the Lessor is able to undertake the repair of the Leased Premises, Lessor shall complete said repairs within ninety (90) days (or such reasonable time given the circumstances) from the date of destruction or damage and this Lease shall not be affected, except that during reconstruction rental payments shall be reduced by a percentage corresponding to the portion of the Leased Premises to which Lessee is denied normal occupancy and use.
- (C) In the event that Lessor is not able to repair the Leased Premises as hereinabove provided, Lessee shall not be entitled to any compensation or payment from Lessor for the value of any remaining term of the Lease.

17. DEFAULT:

- (A) Lessee shall be considered in default of this Lease upon the occurrence of any of the following:
 - (i) Failure to perform under any term, covenant or condition of this Lease and the continuance thereof for thirty (30) days after written notice from Lessor specifying said failure. The thirty (30) days herein shall run concurrently with the periods provided in paragraph 4(c).
 - (ii) The commencement of any action or proceeding for the dissolution or liquidation of Lessee, or for the appointment of a receiver or trustee of Lessee's property, and the failure to discharge any such action within thirty (30) days.
 - (iii) The making of any assignment for the benefit of Lessee's creditors.
 - (iv) The abandonment of the Leased Premises by Lessee.
- (B) In the event that the Lessee shall be found in default as hereinabove stated, then and in every such case thenceforth, at the option of the Lessor or Lessor's assigns, the Lessee's right of possession shall thereupon end, and the Lessor may proceed to recover possession under the laws of the State of Maryland, and Lessor shall be entitled to any other remedy for such default which is allowed by law.

18. EMINENT DOMAIN:

- (A) In the event that the Leased Premises shall be taken by any governmental or quasi-governmental authority pursuant to its power of eminent domain, Lessee shall be entitled to recover the unamortized, undepreciated portion of capital expenditures for improvements and betterments made by Lessee to the Leased Premises at the Lessee's expense, excepting routine repairs to the premises, and shall make no further claim for compensation or assert any other right which Lessee may have to any portion of any award made as a result of such governmental taking.
- (B) Nothing contained hereinabove shall be construed to preclude Lessee from claiming, proving and receiving, in a separate claim filed by Lessee against the authority exercising the power of eminent domain, such sums to which the Lessee may be entitled as compensation, provided that such a separate claim does not interfere with or reduce the Lessor's award.

19. ASSIGNMENT AND SUBLEASING:

- (A) Lessee shall not be entitled to and shall not assign this Lease or sublease all or any part of the Leased Premises without the Lessor's express written consent thereto which consent shall not be unreasonably withheld. Prospective sublessees activities must be consistent with the approved use set forth in Article 7 hereof.
- (B) The Lessor's written consent to prospective sublessees or assignees shall be obtained in the following manner:
 - (i) The Lessee shall submit to Lessor copies of the proposed occupancy or sublease agreements, a description of the activities of the proposed sublessees or assignees and any other information pertinent to the proposed sublessee's or assignee's use and occupancy.
 - (ii) The Lessor shall respond in writing not later than thirty (30) days after receipt of the information cited in Article 19(B) (i) hereinabove.
- (C) The Lessor and Lessee agree that the subleasing or assigning of all or any portion of the premises by the Lessee shall have as its primary goal the recovery of reasonable operating expenses incurred by Lessee in the

operation, maintenance and administration of the Leased Premises. The Lessee therefore agrees that any rental amounts charged to sublessees within the premises shall be limited to the sublessees prorated share of actual operating, maintenance and administrative expenses incurred by Lessee, plus an increment for actual rental paid by the Lessee to the Lessor in accordance with the provisions of Article 5 hereinabove.

- (D) In the event Lessor accepts and approves any assignment, sublease or transfer, Lessee shall nonetheless remain responsible for the payment of all sums and the performance of all obligations required of the Lessee.

20. MARKETABILITY OF LEASE: Lessee acknowledges and agrees that the Lessor shall not approve any assignment, sublease or transfer of any right or interest in all or any portion of the Leased Premises if such an assignment, sublease or transfer results in any profit or financial gain to the Lessee. Pursuant to the provisions of this Article 20, the Lessor may require the Lessee to provide certifiable evidence of compliance hereunder.

21. ACCESS: Lessee shall allow Lessor and Lessor's employees or agents to have access to said Leased Premises at all reasonable times and after reasonable notice for the purpose of inspection, or in the event of fire or other property damage, or for the purpose of performing any work required to be performed by Lessor, or which Lessor considers necessary or desirable, or for any other purpose pursuant to the reasonable protection of the Leased Premises. Lessee shall not alter or change the exterior locks installed on the premises, and in the event of an approved change, shall provide Lessor with keys to the facility.

22. SURRENDER OF POSSESSION: Lessee covenants, at the expiration or other termination of this Lease, to remove all goods and effects from the Leased Premises not the property of Lessor, and to yield up to Lessor the Leased Premises and all keys, locks and other fixtures connected therewith (except trade fixtures and other fixtures belonging to Lessee), in good repair, order and condition in all respects, reasonable wear and use thereof and damage by fire or other casualty and damage from any risk with respect to which Lessee is not herein expressly made liable excepted.

23. HOLDOVER: In the event that the Lessee shall continue to occupy said Leased Premises or any part thereof after the conclusion of the term of this Lease, the tenancy thus created shall be deemed to be upon a month-to-month basis and may be terminated by either party giving the other not less than sixty (60) days' written notice, to expire on the day of the month from which the tenancy commenced. During any month-to-month tenancy, both parties shall continue to observe all agreements and covenants contained in this Lease. Lessee shall continue to pay monthly rental under rates to be negotiated a minimum of thirty (30) days prior to the expiration of the initial lease term or extension thereof, which month-to-month rental rates shall in no event be less than the rental rates in effect at the time of expiration of the lease term.

24. NOTICE OF DEFECTS: Lessee shall give to Lessor prompt written notice of accidents in or damages to the Leased Premises.

25. QUIET POSSESSION: Lessor covenants and agrees that, if Lessee shall perform all the covenants, conditions, and agreements herein contained to be performed on Lessee's part, Lessee shall at all times during the term of this Lease have the peaceable and quiet enjoyment and possession of the Leased Premises for the purposes leased without hindrance from any person or persons whomsoever, regardless of whether the building is sold or otherwise conveyed to a third party(s).

26. COMPLIANCE WITH LAWS: It is understood, agreed and covenanted by and between the parties hereto that Lessee, at Lessee's expense, will promptly comply with, observe and perform all of the requirements of all of the statutes, ordinances, rules, orders and regulations now in effect or hereinafter promulgated whether required by the Federal Government, State of Maryland, Montgomery County Government, Montgomery County Department of Environmental Protection or Montgomery County Fire Marshal's Office. The foregoing shall not be construed to preclude the Lessee from exercising its legal right to contest the validity of legislation through judicial process, provided that the Lessee shall continue to fully comply with the provisions of this Article 26 pending the outcome of the Lessee's efforts.

27. BENEFIT AND BURDEN: The provisions of this Lease shall be binding upon, and shall inure to the benefit of the parties hereto and each of their respective successors, assignees or representatives.

28. DISPUTES: Lessor and Lessee agree that any dispute concerning a question of fact arising under this Lease which is not resolved by agreement of the parties shall be decided by the Chief Administrative

Officer of Montgomery County, who shall notify the parties in writing of the determination made. The Lessee and Lessor shall be afforded an opportunity to be heard and offer evidence in support of their respective positions. Pending final decision of a dispute hereunder, Lessee and Lessor shall proceed diligently with the performance of all provisions under this Lease Agreement. The decision of the Chief Administrative Officer shall be final and conclusive. This Article 28 does not preclude consideration of questions of law in connection with the aforesaid decisions.

29. WAIVER: No waiver of any breach of any covenant, condition or agreement herein contained shall operate as a waiver of the covenant, condition or agreement itself or of any subsequent breach thereof.

30. NON-DISCRIMINATION: Landlord agrees to comply with the non-discrimination in employment policies in County contracts as required by Section 11B-3 and Section 27-19 of the Montgomery County Code 1984, as amended, as well as all other applicable state and federal laws and regulations regarding employment discrimination. The Landlord assures the County that in accordance with applicable law, it does not, and agrees that it will not discriminate in any manner on the basis of age, color, creed, national origin, race, religious belief, sexual preference or handicap.

31. CONTRACT SOLICITATION: Lessee represents that Lessee has not retained anyone to solicit or secure this Lease from Montgomery County, Maryland, upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, excepting for bona fide employees or bona fide established commercial, selling or leasing agencies maintained by Lessee for the purpose of securing business or an attorney rendering professional legal services consistent with applicable canons of ethics.

32. PUBLIC EMPLOYMENT: Lessee understands that unless authorized under Sections 11B-46 or 11B-54 of the Montgomery County Code 1984, as amended, it is unlawful for any person transacting business with Montgomery County, Maryland, to employ a public employee for employment contemporaneous with his or her public employment.

33. MAILING NOTICES: All notices required or desired to be given hereunder by either party to the other shall be given by certified or registered mail and shall be deemed to be effective when received or refused by the addressee. Notices to the respective parties shall be addressed as follows:

LESSEE:

ACORN HILL SCHOOL INCORPORATED
9500 Brunett Avenue
Silver Spring, Maryland 20901

LESSOR:

MONTGOMERY COUNTY, MARYLAND
Dept. of Facilities & Services
Office of Real Estate Management
110 N. Washington Street, Suite 318
Rockville, Maryland 20850

37. RESIDENT AGENT: The Resident Agent for the Lessee is _____ and its address for receipt of notices and service of process is _____.

Immediate notice shall be given to Lessor by Lessee of any change in the resident agent or address for receipt of notices, as provided herein.

35. PROHIBITION OF HAZARDOUS SUBSTANCES: The Lessee agrees to not store or bring hazardous substances onto the premises. The Lessee shall be responsible for any personal injuries or personal and real property damage as a result of any hazardous substance being brought on the premises by the Lessee, its agents, contractors, employees or guests.

36. INDEMNITY BOND: Upon the request of Lessor, concurrent with the effective date of the Lease or at any time during the term of this lease, Lessee agrees to obtain and maintain an executed miscellaneous indemnity bond in the amount of eight (8) months' rent for the current lease year to remain in full force and effect throughout the remainder of the lease term, as security for the faithful performance of all the terms and conditions of this Lease.

Lessor shall have the right, but not the obligation, ^{for good cause shown} ~~in its sole discretion~~ to request such a bond. For good cause shown by Lessee, Lessor, in its sole discretion, may accept an appropriate substitute surety. Lessee shall, on the effective date of the Lease or within thirty (30) days from the date of the request by the Lessor, deliver to Lessor the said surety, evidencing the coverage hereinabove stated. Failure to deliver the bond or surety as required is considered by Lessor to be a material breach of the Lease.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be properly executed.

WITNESS:

By: Kathy Barbor

LESSOR:

MONTGOMERY COUNTY, MARYLAND

By: Alastair McArthur
Alastair McArthur, Deputy
Chief Administrative Officer

Date: 9/14/92

WITNESS:

By: Nancy K. Foster

LESSEE:

ACORN HILL SCHOOL INCORPORATED

By: William L. Johnson
Title: CHAIRMAN, BOARD OF DIRECTORS

Date: SEPTEMBER 4, 1992

APPROVED AS TO FORM AND LEGALITY
OFFICE OF THE COUNTY ATTORNEY

By: Amor M.
Date: 6/3/92

RECOMMENDED:

By: Gloria W. Kratz
Gloria W. Kratz, Chief
Real Estate Management

Date: 9/14/92

40100

EXHIBIT A

PARKSIDE ELEMENTARY SCHOOL

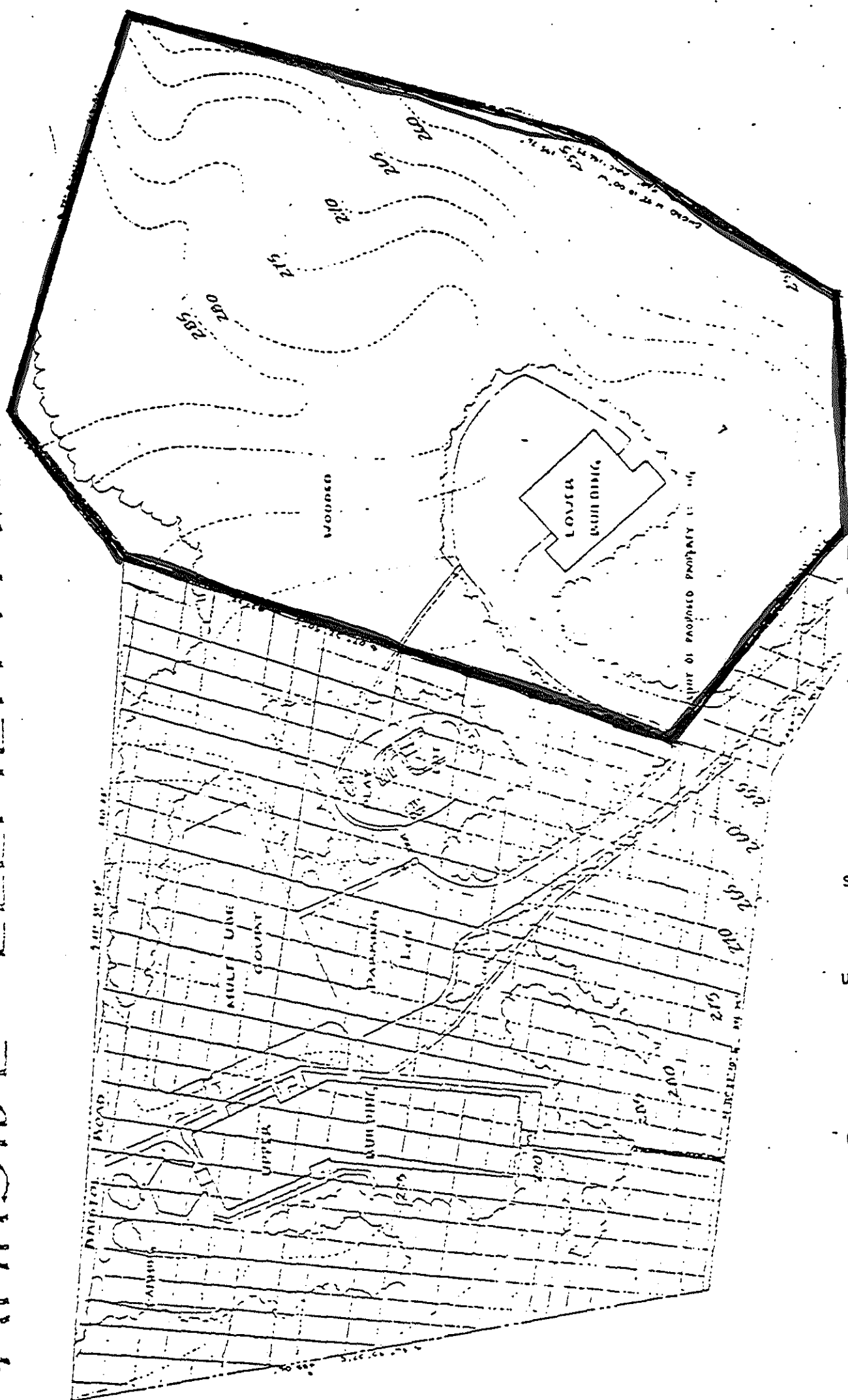


Exhibit A